

**2003 MARKET VALUES AND PROPERTY TAXES
and the Effects of the Homeowner's Exemption**

Total budgeted property taxes for 2003 are \$1,081.1 million and have increased \$59.8 million or 5.9% since 2002. This year's rate of increase is lower than last year's 7.7% increase and in line with many of the increases occurring in the last several years. Among major changes in 2003 property taxes, the Boise City \$5 Million override levy expired, but this change was offset in Ada County by \$4.3 Million in new judgment levies related to property tax valuation decisions. There was also a significant increase in Kootenai County property taxes because the voiding of Kootenai County's local sales tax eliminated all but \$30,000 of the \$3.3 Million in property tax relief that was available from this source in 2002.

Most property tax budgets continue to be constrained to an increase that cannot exceed 3% plus a component for new construction and annexation. School maintenance and operation (M&O) funds are not constrained in this manner, but may grow as rapidly as the market value of property. Growth in this fund was the same as general overall property tax growth in 2003. Barring changes in state funding formulas, future M&O changes should closely mirror market value changes, which generally have increased about 5%-7% annually.

Growth in School M&O Funds:

Year	Percent Increase in School M&O Property Tax Budget
1995 - 1996	10.8%
1996 - 1997	10.9%
1997 - 1998	7.7%
1998 - 1999	6.1%
1999 - 2000	5.4%
2000 - 2001	2.4%
2001 - 2002	9.8%
2002 - 2003	5.8%

Increases in dollars levied for all school funds and numbers of voter-approved school funds are shown in [Chart VI](#). Such school fund increases account for 44% of the overall property tax increase.

Many districts show increases in excess of 3%, despite the cap that is now in place. The total net property tax increase of \$59.8 million can be broken down as follows:

Cause of increased property tax	Potential increase amount*
3% general cap	\$16.8 million
Increases in school bonds, judgments, and school exempt levies other than M&O	\$15.2 million
Decreases in school emergency funds and plant facility funds	\$ <3.0> million
Increases <decreases> in non-school bonds and voter-approved levies**	\$ <5.2> million
Increase in school M&O property tax	\$14.3 million
Additional dollars available due to new construction	\$17.6 million
Additional dollars available due to annexation	\$ 0.9 million
Increase <decrease> due to new levies in 2003 or existing districts not levying in 2003	\$ <0.0> million
Property tax increase <decrease> due to use of Foregone Amount	\$ 1.2 million
Increase due to loss of Kootenai County property tax relief	\$ 3.3 million

*Only potential increases can be calculated for the 3% cap, new construction, and annexation. In some cases, districts have accumulated indicated amounts as "foregone" amounts, which were not levied, but may be recaptured as future property tax increases.

**Reduction mostly represents elimination of Boise City Override and West Boise Sewer District Bond.

Amounts in the above table will not balance to the \$59.8 million actual net property tax increase because of procedures used to compute foregone amounts.

[Chart VII](#) shows increases in exempt and non-exempt property tax budgets for all major types of taxing districts. Components of property tax budgets are designated "exempt" or "non-exempt" in terms of whether they are constrained by the 3% plus new construction cap. Bonds, overrides, plant facility funds, and emergency and certain other funds are considered exempt in this chart. The 8% increase shown in [Chart VII](#) for non-exempt county property taxes was influenced by the elimination of the Kootenai

County property tax relief fund. Had this fund remained at its 2002 amount, the total increase in non-exempt county property taxes would have been only 6.4%.

Despite overall moderate changes in budgeted property taxes, significant increases or decreases may occur when individual assessed values grow or decline more rapidly than typical values or when significant changes in specific taxing district budgets occur. The following table lists many of the notable changes in property tax portions of taxing district budgets for 2003 in comparison to 2002. Additional information can be found in detailed budget reports available on request.

Significant Property Tax Budget Changes in 2003

County	Taxing District	Description of Change	\$ Amount of Change
Ada	County	New Judgment Fund	1,100,000
Ada	Boise City	Eliminated Override	<5,000,000>
Ada	Boise School District 1	New Judgment Fund	3,200,000
Ada	Meridian School District 2	Increased Plant Facilities and Bond Funds and Decreased Emergency Fund	1,400,000
Ada	West Boise Sewer District	Not levying	<680,000>
Bannock	Pocatello School District 25	Increased Override Fund	1,000,000
Bingham	Aberdeen School District 58	Increased Bond	393,000
Blaine	Sun Valley City	Decreased Bond	207,000
Blaine	Blaine County School District 61	New Emergency Fund	390,000
Blaine	Ketchum Fire District	Decreased Bond	<64,000>
Bonner	Sam Owen Fire District	New District	69,000
Bonneville	Idaho Falls School District 91	Increased Override	1,000,000
Bonneville	Bonneville School District 93	Increased Bond and Override	700,000

County	Taxing District	Description of Change	\$ Amount of Change
Butte	Butte County School District 111	Decreased Bond	<65,000>
Camas	Camas School District 121	Increased Bond	201,000
Canyon	Caldwell School District 132	Decreased Emergency Fund	<449,000>
Canyon	Canyon County Ambulance District	Eliminated Override	<835,000>
Canyon	Upper Deer Flat Fire District	New Permanent Override	56,000
Cassia	Burley City	New Bond	295,000
Custer	Challis School District 181	New Override	173,000
Custer	Challis Cemetery District	New Override	19,000
Custer	Battle Ground Mosquito Abatement District	Levied in 2003 (not in 2002)	10,000
Franklin	Westside School District 202	Eliminated Bond	<35,000>
Franklin	Franklin County Library District	Eliminated Override and reinstituted Plant Facilities Fund	105,000
Franklin	Franklin County Library District	Increased override and M&O	141,000
Gooding	Gooding School District 231	New Emergency Fund	158,000
Gooding	Hagerman School District 233	Decreased Bond	<54,000>
Gooding	Wendell Recreation District	New Override Fund	48,000
Idaho	Grangeville School District 241	Eliminated Override	<297,000>
Jefferson	West Jefferson School District 253	Reduced Bond Fund	<76,000>

County	Taxing District	Description of Change	\$ Amount of Change
Kootenai	County	Elimination of Property Tax Relief Fund	3,360,000
Kootenai	Coeur d'Alene School District 271	Decreased Bond fund, Increased Plant Facilities, Emergency, and Override funds	1,900,000
Kootenai	Lakeland School District 272	Increased Bond and Override funds; Decreased Emergency Fund	495,000
Kootenai	Post Falls School District 273	Decreased Bond and Emergency funds; New Plant Facilities Fund; Increased Override Fund	418,000
Kootenai	Kootenai School District 274	New Bond	402,000
Kootenai	Kootenai County Ambulance District	Increased Override	60,000
Kootenai	Hauser Lake Fire District	New Override Fund	29,000
Kootenai	Flood Control District 17	New Bond	10,000
Latah	Potlatch School District 285	Increased Override	50,000
Lemhi	County	New Bond	250,000
Lewis	Nez Perce School District 302	Decreased Override Fund	41,000
Lincoln	Shoshone School District 312	Eliminated Emergency Fund	64,000
Lincoln	Dietrich School District 314	New Bond	140,000

County	Taxing District	Description of Change	\$ Amount of Change
Lincoln	Shoshone City and Rural Fire District	Eliminated Bond	<10,000>
Madison	Madison School District 321	Increased Bond Fund	136,000
Minidoka	Burley City	New Bond Fund	55,000
Nez Perce	County	Increased several county funds	1,425,000
Nez Perce	Lewiston School District 340	Decreased Overrides	<731,000>
Nez Perce	Lapwai School District 341	Eliminated Plant Facilities Fund	120,000
Owyhee	County	Decreased Bond Fund	52,000
Owyhee	Homedale School District 370	Increased COSA Fund	50,000
Owyhee	County Road and Bridge	Increased M&O Fund	253,000
Payette	Payette School District 371	Increased Bond Fund	244,000
Payette	New Plymouth School District 372	Decreased Override Fund and Eliminated Emergency Fund	<138,000>
Power	Arbon School District 383	Eliminated Bond Fund	<35,000>
Power	Eastern Power County Fire District	Did not levy in 2003	<89,000>
Shoshone	Kellogg School District 391	Decreased Bond Fund	<62,000>
Twin Falls	Twin Falls City	Eliminated Bond and added Override Fund	62,000
Twin Falls	Twin Falls School District 411	Eliminated Emergency Fund	<485,000>
Twin Falls	Buhl School District 412	Eliminated Plant Facilities Fund and added Bond Fund	166,000

County	Taxing District	Description of Change	\$ Amount of Change
Twin Falls	Kimberly School District 414	Eliminated Emergency Fund	<66,000>
Twin Falls	Castleford School District 417	New Override	57,000
Valley	Cascade School District 422	Decreased Bond and Eliminated Emergency Fund	<156,000>
Valley	McCall Fire District	New Bond Fund	175,000
Washington	County	Increased Bond and increased other funds	1,300,000
Washington	Cambridge School District 432	Increased Bond Fund	73,000

Overall exempt funds increased 3.3% (not including school M&O) in 2003. This rate of growth is significantly less than the 6.1% increase in 2002 and can be attributed largely to the expiration of the Boise City override. Non-exempt funds (not including school M&O) increased by 6.8%, somewhat less than 2002's 7.4% increase in these funds. Again, there is some distortion due to the elimination of the Kootenai County property tax relief fund. Had this fund remained at its 2002 amount, the increase in non-exempt funds would have been just 6.2%.

A summary of tax increases in various time periods is found in the following table:

Summary of property tax increases during various periods

Period	Total Property Tax Increase (Million \$)	Total Percent Increase	Average Percent Change Per Year
1973-1978	100.0	84.0	+ 13.0
1978-1981	2.7	0.8	+ 0.3
1981-1994	408.9	268.5	+ 8.6
1994-1995	12.6	1.9	+ 1.9
1995-2000	250.0	37.6	+ 6.6
2000-2001	34.4	3.8	+ 3.8
2001-2003	132.6	14.0	+ 6.8

Since the early 1970s, the property tax system has undergone three significant changes, each of which has been accompanied by substantial tax relief. During the 1970s, the system was levy driven, meaning that taxes tended to expand at the rate of growth in assessed value. The 1978 - 1981 period saw state-funded, school-related tax relief and strict budget increase limitations or freezes. From 1982 until the early 1990s, budgets (and, toward the end of that period, levies) were permitted to grow by 5% each year. From 1992 - 1994, the only difference between the system in place and the levy-driven system of the 1970s was special advertising requirements. In 1995, some school M&O taxes were replaced with state funds and a 3% budget increase cap with certain growth exceptions was imposed. This system is still in place, but less growth in taxes occurred in 2001 because of the state's replacement of agricultural equipment property taxes and various other state and local property tax relief mechanisms. In 2002 and 2003, with no new state-generated property tax relief and the elimination of some local property tax relief, there was a return to the more rapid growth experienced previously.

Distribution of property taxes among local units of government can be summarized as follows:

Five year distribution of property tax by major local unit of government

Unit of Government	1999 Taxes Mill.\$	2000 Taxes Mill.\$	2001 Taxes Mill.\$	2002 Taxes Mill.\$	2003 Taxes Mill.\$	% Ch. 02 - 03
County	201.0	212.3	210.7	228.7	247.6	+ 8.3
City	179.6	193.9	210.7	225.2	231.4	+ 2.8
School	369.3	391.8	408.1	441.1	467.7	+ 6.0
Highway	47.4	49.8	51.9	53.3	56.7	+ 6.4
All Other	62.8	66.3	67.1	73.0	77.7	+ 6.4
TOTAL	860.1	914.0	948.5	1,021.3	1,081.1	+ 5.9

Additional detail concerning taxing district budgets is found in [Charts V, VI](#), and [VII](#), attached to this report.

Typical Property Tax Rates

Statewide, there are several thousand unique combinations of taxing districts that may be levying property tax against a given parcel. This results in as many unique property tax rates. [Chart VIII](#) provides general tax rate guidance by listing average urban and rural rates calculated for each county and overall. Statewide, the highest property tax rate is in Mullan city, in Shoshone County, where the rate is 3.094%. The lowest rate is in one area of rural Teton County, where the rate is 0.576%.

Analysis of major property tax trends in 2003

- Slower overall growth in statewide taxable value - 4.3% v. 7.5% in 2002.
 - Declining taxable value for timberland, operating property, and certain specific and largely rural industrial properties (included in the commercial sector on [Chart I](#));
 - Flat agricultural property taxable values;
 - Increasing taxable value for residential and some commercial property, with the residential share of total property taxes increasing from 57.7% in 2002 to 59.0% (**an all-time high**) in 2003.
- Slow growth in taxable value results in higher property tax rates, despite lower-than-typical growth in taxing district budgets.
 - Overall weighted average property tax rate increased from 1.457% in 2002 to 1.465% in 2003;
 - Overall average property tax rate is the highest since 2000.
- New construction remained strong, absorbing some of the increase in property taxes, while inflation of existing property values was limited in degree and extent.
 - Typical residential property tax increases are expected to be about 5%;
 - Typical commercial/industrial sector property tax increases are expected to be 1% - 3% and will vary widely;
 - Larger than expected increases will occur on a localized basis as a result of new or increased voter approved bonds and other elective budget issues.

Residential Property

The proportion of the property tax paid by residential taxpayers reached 59.0%, the highest share paid by this sector since this report series began in 1980. This year's continued residential property assessed value increase was due largely to faster growth (both inflation-driven and new construction-related) in this sector. The residential sector, as a whole, is expected to have a property tax increase of 9.1%. Newly constructed residences will pay some of this, so most individuals will see smaller increases. However, in areas with significant inflation of residential values, tax increases for existing residential property will exceed the otherwise typical (statewide) 5% increases. Increases will be even higher in areas that lost single-year tax relief (like Kootenai County), and for property subject to local voter-approved increases.

The total increase in residential property assessed value was

\$3.3 billion in 2003. New residential construction accounted for about one-third (\$1,002 million) of this increase. Therefore, sector wide, existing residential property taxable value increases averaged about 5.4% (somewhat lower than last year).

As analyzed in this report, in addition to owner-occupied homes and mobile homes, residential property includes vacant land, non-owner occupied houses, second and vacation homes, and rental housing consisting of up to four units (such as a four-plex).

Commercial Property

The proportion of property taxes paid by the commercial and industrial property sector declined this year to its lowest share since 1998. This reflects significant downward adjustments to taxable values of certain large industrial parcels and growth that continues to slightly lag behind growth in the residential sector.

Commercial construction continued to weaken, declining from \$925 million in value in 2000 to \$832 million in 2001 to \$700 million in 2002, the lowest amount since 1994. Despite this new construction, there was no increase (in fact a slight decrease) in overall commercial/industrial property taxable value, because of the factors stated above. Ignoring new construction, taxable values declined by about \$17 million. Aside from localized elective tax increases, and excluding individual parcels with decreasing taxable values, property taxes on existing commercial and industrial parcels are expected to be relatively unchanged from 2002 amounts.

Agricultural Property

Agricultural property values were essentially flat, increasing by only 0.1% in 2003. This is slightly less than the 0.6% increase noted in 2002. The average agricultural property tax rate increased 2.9% in 2003. Hence, typical agricultural land property taxes should be up by about 3% this year, after little change in 2002. Despite this year's increase, the share of property tax paid by the agricultural sector as a whole declined to only 4.3% of total Idaho property taxes, the lowest share for agricultural property since this report series began in 1980. Farmland still accounts for at least 20% of the taxes in 8 of Idaho's 44 counties, however, and pays more than one-third of all property taxes in two counties (Clark and Lewis).

Mining Property

Mining property consists of mining equipment and net profit of mines and may include related industrial equipment. Total taxable value in this sector rose another \$29.5 million in 2003 following a dramatic increase from \$124 Million in 2001 to \$279 million in 2002. This year's value is the highest for this sector since 1985 and continues an upward trend that began in

2002. Nearly all of this year's increase occurred in Custer County as a result of recategorization of mining equipment that previously had been combined in a category with other equipment.

Mining sector property taxes increased at approximately the same rate as the value growth, but remain at just 0.3% of total property taxes.

Operating Property

Operating property (generally utilities and railroads) values decreased 3.1% in 2003, reversing last year's trend toward higher values. Taxes in this sector declined slightly (0.6%). The proportional share of statewide taxable value represented by operating property declined slightly to 5.0%, while the sector's share of statewide property taxes declined to 4.8%. This proportional share of taxes remains the lowest paid by the sector since tracking began in 1980. Two counties derive 20% or more of property taxes from operating property (Boundary and Lincoln).

This year's value changes for operating property continue to reflect economic conditions within this industry group, rather than legislative changes. Although there is future uncertainty about this issue, the amount of the intangibles exemption did not change appreciably in 2001, 2002, or 2003.

Timber Property

The timber property sector includes land and equipment components, with most of the value represented by land. Sector wide values decreased 10.0% in 2003. Taxable values of timber land have been in decline since 2000 and that pattern continued (as expected) this year. The decreases reflect changing economic conditions and, in conjunction with previous legislative changes, are expected to continue into the future. Timber property taxes decreased 7.5% and the sector now represents only 1.1% of total property taxes.

Chart I

Chart I compares 2002 and 2003 property taxes, rates, and taxable values by major category of property, and by urban or rural location. Values correspond to those available in October, 2003 and will differ slightly from calendar year values. Because of this discrepancy and because there are always delinquencies, as well as penalties and interest paid on prior delinquencies, taxes shown on this chart represent amounts budgeted by taxing districts, not amounts actually collected.

Tax revenue attributable to certain types of districts that do not levy traditional property taxes is not included in these figures. Forest protection associations, TV translator districts, irrigation districts, urban renewal districts, and districts that could levy property taxes, but charge fees

instead, are examples of excluded authorities.

The residential property category is by far the largest and includes two major subgroups: owner-occupied and non-owner-occupied. All reports since 1993 include an analysis of each of these subgroups for which the breakdown of value is estimated using subjective indices. In 1997, owner and non-owner occupied value assignment procedures were redone, attributing more of the residential value to the owner occupied subgroup. This change was based partly on the premise that the previous methodology did not completely take into account the proportionally lower homeowner's exemption available to owners of residential improvements valued at more than \$100,000. Value apportionment procedures underwent further refinement in 2001 for similar reasons. A more major methodology change was implemented in 2002, the first year actual owner and non-owner-occupied residential property value data became available from most county records. This system was refined considerably in 2003 and, although 2003 estimates are considered more accurate, meaningful comparisons with 2002 and other prior years are not possible. This limitation only affects the comparison of values and taxes assigned to the owner v. non-owner-occupied residential subgroups. Because of these changes, multi-year longitudinal comparisons between prior and current years' values and taxes in owner-occupied and non-owner-occupied subgroups within the residential property sector are of doubtful accuracy and should be avoided.

Chart II

Chart II demonstrates the effects of the homeowner's exemption on taxes paid by each category of property in 2003 by showing how these taxes would change if there were no homeowner's exemption. In 2003, homeowners paid \$99.0 million less in property taxes than they would have without this exemption. This figure is similar to the 2002 amount.

Assuming that total taxes budgeted remain the same with or without the exemption, taxes on non-eligible property are higher with the exemption in place. Chart II demonstrates this effect.

The two largest traceable exemptions are the homeowner's exemption, which reduced value by \$12,542 million, and the speculative value exemption, which applies to agricultural and timberland, and reduced value by \$12,658 million in 2003. The homeowner's exemption increased 4.3% in 2003, while the speculative value exemption increased 0.9%. The speculative value exemption tends to vary more from year to year because it reflects agricultural and timber property market value, which tends to change faster than the taxable value of this type of property.

The following table traces recent changes in taxable and exempt

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value (all values shown in billions of dollars) in the combined agriculture and timber property group:

% change (taxable):

Year	Total Value	Exempt Value	Taxable Value	Annual	Cumulat.
1984	10.96	6.90	4.06	N/A	N/A
1985	9.61	5.50	4.11	+ 1.2	+ 1.2
1986	8.18	4.30	3.88	- 5.6	- 4.4
1987	7.71	4.07	3.64	- 6.2	-10.3
1988	7.30	3.78	3.52	- 3.3	-13.3
1989	7.38	3.82	3.56	+ 1.1	-12.3
1990	8.51	4.80	3.71	+ 4.2	- 9.4
1991	8.46	4.61	3.85	+ 3.8	- 5.2
1992	8.77	4.79	3.98	+ 3.3	- 2.0
1993	9.89	5.77	4.12	+ 3.5	+ 1.5
1994	11.48	7.06	4.42	+ 7.3	+ 8.9
1995	13.43	8.70	4.73	+ 7.0	+16.5
1996	14.81	9.77	5.04	+ 6.6	+24.1
1997	16.21	10.80	5.41	+ 7.3	+33.3
1998	17.12	11.47	5.65	+ 4.4	+39.2
1999	17.71	11.89	5.82	+ 3.0	+43.3
2000	17.78	12.02	5.76	- 1.0	+41.9
2001	16.59	11.73	4.85	-15.8	+19.5
2002	17.35	12.55	4.80	- 1.0	+18.2
2003	17.36	12.66	4.70	- 2.1	+15.8

The chart clearly shows the effects of the 2001 exemption of agricultural equipment and economic timberland value trends, and enables long-term patterns to be discerned.

Exemptions, such as the homeowner's or speculative value exemption, do not change the net total amount of property taxes budgeted or collected, except in school districts and the moderate number of other cases where taxing district levy limits are approached. In all other cases, barring an influx of state or other replacement revenue, tax rates merely increase to offset lower values.

Chart III

Chart III shows the effects of the general tax increase and the homeowner's exemption on individual properties of different types using statewide average urban and rural tax rates appropriate for each category. Since 1992, this report has attempted to consider the effects of inflation on property values and taxes.

Currently, the inflation component for typical residential property value is about 5%, while the inflation component for farmland and commercial property taxable values appears to be

negligible this year.

Under these assumptions, a typical urban taxpayer should have seen a tax increase of 0.5% for a business. In rural areas, typical commercial property taxes were up 2.8%, and property taxes for a farm including an owner-occupied home increased 4%, assuming the same inflation rate on the farm house as is occurring in the overall residential sector. Increases for typical owner-occupied residential properties are in the 4% - 5% range, but should be considered as guides only. This is because of continuing changes in the methodology used to assign residential value to owner and non-owner occupied sectors.

This chart also presents the hypothetical effects of complete elimination of the homeowner's exemption. Residential taxes obviously would rise significantly, while nonresidential taxes would be somewhat reduced. The magnitude of the savings that would be experienced by nonresidential property is smaller than the impact on residential property. This is because the value of all property currently eligible for the exemption is less than the value of nonexempt categories (commercial, operating, certain ineligible residential, etc.).

Homeowner's exemption effects shown in Chart III will also vary depending on land/improvement ratios of any eligible property and farm size. Higher proportionate residential land values will reduce the percent of tax reduction granted; improvements (homes) valued in excess of \$100,000 will also receive less benefit because of the \$50,000 limit on the exemption. Larger farms, and those without an owner-occupant, would tend to have a greater decrease in taxes than shown, if the homeowner's exemption were eliminated.

Chart IV

Chart IV indicates the percent of the property taxes paid by each category of property in each county. From these percentages, counties with significant shares of tax paid by particular categories can be determined.

Additional Charts

Charts containing property tax budget and market value information follow the narrative portion of this report. The attachment entitled "2003 Property Tax Analysis Charts" provides a complete listing of charts discussed in this narrative and other charts that analyze the exempt and non-exempt budgets of taxing districts, comparing 2003 amounts with those submitted in 2002.

Data presented throughout this report has been compiled from budget reports submitted by taxing districts to counties and then to the Idaho State Tax Commission.

Alan S. Dornfest
Property Tax Policy Supervisor
December 31, 2003

2003 Property Tax Analysis Charts

Chart	Title
<u>I</u>	Comparison of 2002 and 2003 Taxable Market Value and Estimated Property Tax Collections by Category of Property
<u>II</u>	Effects of 2003 Homeowner's Exemption
<u>III</u>	Comparison of 2002 and 2003 Property Taxes and Effects of 2003 Homeowner's Exemption on Individual Property
<u>IV</u>	Percent of Total 2003 Property Taxes Paid by Each Major Category of Property
<u>V</u>	Comparison of 2002 – 2003 Property Tax by District Type
<u>VI</u>	School Property Taxes by Fund Comparison of Property Tax Budgets 2002 – 2003
<u>VII</u>	Comparison of Property Tax Budget 2002 – 2003 by Type of Taxing District (exempt & non-exempt funds)
<u>VIII</u>	2003 Average Property Tax Rates

<p style="text-align: center;">Revised Chart I Comparison of 2002 and 2003 Taxable Market Value and Estimated Property Tax Collections by Category of Property</p>							
Revised: December 17, 2004							
Category of Property	2003 Market Value Including 2002 Sub. Roll	% of Market Value in Category	% Change in Market Value* 2002/2003	Estimated 2003 Tax Rate	Estimated 2003 Tax (\$)	% of Tax in Category	% Change in Taxes* 2002/2003
Residential:							
Urban owner-occupied	16,937,565,799	23.1%	N/A	1.755%	\$297,246,309	27.5%	N/A
Rural owner-occupied	10,060,823,454	13.7%	N/A	1.232%	\$123,910,296	11.5%	N/A
Subtotal	26,998,389,253	36.8%	N/A	1.560%	\$421,156,605	39.0%	N/A
Urban non-owner-occupied	8,433,226,397	11.5%	N/A	1.449%	\$122,167,979	11.3%	N/A
Rural non-owner-occupied*	9,506,422,309	13.0%	N/A	1.022%	\$97,194,312	9.0%	N/A
Subtotal	17,939,648,706	24.5%	N/A	1.223%	\$219,362,291	20.3%	N/A
Residential subtotal	44,938,037,959	61.3%	7.8%	1.425%	640,518,896	59.2%	9.6%
Commercial:							
Urban	15,975,463,448	21.8%	2.3%	1.755%	\$280,416,912	25.9%	3.4%
Rural**	3,676,351,660	5.0%	-13.4%	1.282%	\$47,140,613	4.4%	-12.0%
Subtotal	19,651,815,108	26.8%	-1.0%	1.667%	\$327,557,525	30.3%	0.8%
Agricultural:	3,759,877,665	5.1%	0.1%	1.226%	\$46,114,823	4.3%	3.3%
Timber:	937,263,890	1.3%	-10.0%	1.217%	\$11,408,739	1.1%	-7.2%
Mining:	308,487,530	0.4%	10.5%	1.130%	\$3,484,538	0.3%	9.4%
Real & Personal:							
Subtotal	69,595,482,152	95.0%	4.8%	1.479%	\$1,029,084,521	95.2%	6.2%
Operating:							
Urban	1,083,665,444	1.5%	-4.1%	1.804%	\$19,544,860	1.8%	-2.2%
Rural	2,617,364,117	3.6%	-2.7%	1.239%	\$32,436,193	3.0%	0.9%
Subtotal	3,701,029,561	5.0%	-3.1%	1.405%	\$51,981,053	4.8%	-0.3%
Total Urban	42,429,921,088	57.9%	9.8%	1.695%	\$719,376,061	66.5%	6.5%
Total Rural	30,866,590,625	42.1%	-2.3%	1.172%	\$361,689,513	33.5%	4.7%
Grand Total	73,296,511,713	100.0%	4.3%	1.475%	\$1,081,065,574	100.0%	5.9%

Values do not include urban renewal increments.

* Category 8 "Speculative Homesite" erroneously included in Timber; has been reallocated to "Rural non-owner occupied".

** An error of apx. \$528 million dollars was discovered in the Commercial Rural category.

Chart VII:

Comparison of Property Tax Budgets 2002 - 2003 by Type of Taxing District					
12/23/2003					
District	2002 Dollars	2003 Dollars	2002 - 2003 Change		% Total 2003 Property Tax
			Dollars	Percent	
County	228,717,351	247,601,074	18,883,723	8.26%	22.90%
City	225,187,890	231,417,917	6,230,027	2.77%	21.41%
School	441,072,535	467,710,637	26,638,102	6.04%	43.26%
Cemetery	2,544,630	2,745,798	201,168	7.91%	0.25%
Fire	29,344,165	32,507,311	3,163,146	10.78%	3.01%
Highway	53,277,810	56,676,618	3,398,808	6.38%	5.24%
Hospital	6,097,111	6,303,696	206,585	3.39%	0.58%
Junior College	7,786,919	8,266,412	479,493	6.16%	0.76%
Library	10,180,687	11,255,709	1,075,022	10.56%	1.04%
Other	17,067,769	16,580,402	(487,367)	-2.86%	1.53%
Totals:	1,021,276,867	1,081,065,574	59,788,707	5.85%	100.00%

Comparison of Property Tax Budgets 2002 - 2003 by Type of Taxing District Exempt - Non Exempt Fund Comparison Only								
District	Exempt Property Tax Funds				Non Exempt Property Tax Funds*			
	2002 Dollars	2003 Dollars	2002 - 2003 Change		2002 Dollars	2003 Dollars	2002 - 2003 Change	
			Dollars	Percent			Dollars	Percent
County	5,229,594	6,213,981	984,387	18.82%	223,487,757	241,387,093	17,899,336	8.01%
City	8,232,364	3,237,799	(4,994,565)	-60.67%	216,955,526	228,180,118	11,224,592	5.17%
School	188,444,701	200,568,618	12,123,917	6.43%	252,627,834	267,142,019	14,514,185	5.75%
Cemetery	13,000	31,532	18,532	142.55%	2,531,630	2,714,266	182,636	7.21%
Fire	1,328,777	1,230,070	(98,707)	-7.43%	28,015,388	31,277,241	3,261,853	11.64%
Highway	0	0	0	N/A	53,277,810	56,676,618	3,398,808	6.38%
Hospital	1,120,243	1,046,389	(73,854)	-6.59%	4,976,868	5,257,307	280,439	5.63%
Junior College	0	0	0	N/A	7,786,919	8,266,412	479,493	6.16%
Library	1,140,642	1,457,048	316,406	27.74%	9,040,045	9,798,661	758,616	8.39%
Other	2,900,344	1,546,098	(1,354,246)	-46.69%	14,167,425	15,034,304	866,879	6.12%
Totals:	208,409,665	215,331,535	6,921,870	3.32%	812,867,202	865,734,039	52,866,837	6.50%

* School Districts' M&O budgets are included in these figures.

Chart VI:

12/23/03

2003 School Property Taxes by Fund Comparison of 2002 - 2003 School Property Taxes					
Fund	2002 \$ AMOUNT	2003 \$ AMOUNT	% of Total	\$ CHANGE 2002 - 2003	% Difference
General M&O	247,677,634	261,984,543	56.01%	14,306,909	5.78%
Tort	4,591,440	4,777,142	1.02%	185,702	4.04%
Tuition	359,760	380,334	0.08%	20,574	5.72%
Bonds	81,247,944	89,067,021	19.04%	7,819,077	9.62%
Cosa	425,240	528,155	0.11%	102,915	24.20%
Emergency	8,099,088	6,741,734	1.44%	(1,357,354)	-16.76%
63-1305 Judgement	10,570	3,204,035	0.69%	3,193,465	30212.54%
Override	62,199,136	66,234,775	14.16%	4,035,639	6.49%
Plant Facility	36,462,723	34,792,898	7.44%	(1,669,825)	-4.58%
TOTALS:	441,073,535	467,710,637	100.00%	26,637,102	6.04%

2002 - 2003 Comparison of M&O and Voter Approved Exempt Funds used by Schools		
Fund	2002	2003
M&O	114	114
Bond	76	78
Plant Facility	66	59
Override	51	53

Chart V:

**Comparison of 2002 - 2003 Property Tax
by District Type**

District Category December 23, 2003	Property Tax		%	\$
	2002	2003		
County	228,717,351	247,601,074	8.3%	18,883,723
City	225,187,890	231,417,917	2.8%	6,230,027
School	441,072,535	467,710,637	6.0%	26,638,102
Ambulance	10,475,903	10,259,333	-2.1%	(216,570)
Auditorium	9,755	10,925	12.0%	1,170
Cemetery	2,544,630	2,745,798	7.9%	201,168
Extermination	496,011	541,697	9.2%	45,686
Fire	29,344,165	32,507,311	10.8%	3,163,146
Flood Control	333,245	363,887	9.2%	30,642
Roads & Highways	53,277,810	56,676,618	6.4%	3,398,808
Hospital	6,097,111	6,303,696	3.4%	206,585
Junior College	7,786,919	8,266,412	6.2%	479,493
Library	10,180,687	11,255,709	10.6%	1,075,022
Mosquito Abatement	750,102	885,770	18.1%	135,668
Port	522,000	450,000	-13.8%	(72,000)
Recreation	2,288,429	2,506,229	9.5%	217,800
Sewer Incl Rec Sewer	1,226,927	554,641	-54.8%	(672,286)
Sewer & Water	884,544	926,062	4.7%	41,518
Water	72,434	73,176	1.0%	742
Watershed	8,419	8,682	3.1%	263
Total:	1,021,276,867	1,081,065,574	5.9%	59,788,707

Chart IV

Percent of Total 2003 Property Taxes Paid by Each Major Category of Property

December 23, 2003

County	Residential Property:			Commercial & Industry:			Farms Total	Timber Total	Mining Total	All Real & Personal Subtotal	Operating Property:		Subtotal
	Urban	Rural	Subtotal	Urban	Rural	Subtotal					Urban	Rural	
ADA	48.1%	11.3%	59.3%	34.8%	2.6%	37.4%	0.4%	0.0%	0.0%	97.1%	1.8%	1.1%	2.9%
ADAMS	12.2%	41.2%	53.5%	9.1%	6.8%	15.9%	8.2%	7.1%	0.0%	84.6%	0.6%	14.8%	15.4%
BANNOCK	51.4%	8.9%	60.3%	32.0%	0.9%	32.9%	1.3%	0.0%	0.0%	94.5%	2.7%	2.8%	5.5%
BEAR LAKE	24.0%	39.8%	63.8%	9.0%	1.8%	10.8%	9.5%	0.0%	0.0%	84.2%	1.9%	13.9%	15.8%
BENEWAH	17.5%	29.0%	46.6%	12.0%	7.1%	19.1%	6.2%	22.4%	0.2%	94.5%	1.0%	4.5%	5.5%
BINGHAM	24.7%	25.6%	50.3%	16.0%	11.1%	27.1%	15.4%	0.0%	0.0%	92.8%	1.3%	6.0%	7.2%
BLAINE	54.3%	32.3%	86.6%	10.5%	1.4%	11.9%	0.6%	0.0%	0.0%	99.2%	0.3%	0.5%	0.8%
BOISE	10.9%	69.1%	80.0%	4.9%	5.2%	10.1%	2.0%	3.8%	0.0%	95.9%	0.6%	3.5%	4.1%
BONNER	18.7%	50.3%	69.0%	14.3%	3.6%	17.9%	1.9%	3.1%	0.0%	91.9%	1.5%	6.5%	8.1%
BONNEVILLE	37.4%	12.9%	50.3%	29.6%	16.5%	46.1%	1.7%	0.0%	0.0%	98.0%	1.2%	0.8%	2.0%
BOUNDARY	14.1%	27.1%	41.2%	11.0%	9.4%	20.3%	7.9%	7.8%	0.0%	77.3%	2.2%	20.6%	22.7%
BUTTE	13.1%	41.3%	54.4%	11.6%	6.1%	17.7%	22.2%	0.0%	0.0%	94.3%	0.5%	5.1%	5.7%
CAMAS	15.2%	45.0%	60.2%	6.8%	4.8%	11.7%	21.9%	0.0%	0.0%	93.8%	0.8%	5.4%	6.2%
CANYON	38.7%	22.6%	61.3%	26.7%	5.4%	32.1%	3.7%	0.0%	0.0%	97.1%	1.4%	1.5%	2.9%
CARIBOU	15.2%	9.1%	24.3%	10.1%	6.8%	16.9%	13.7%	0.0%	36.1%	90.9%	1.3%	7.7%	9.1%
CASSIA	17.7%	16.8%	34.5%	23.6%	16.3%	40.0%	19.7%	0.0%	0.0%	94.2%	1.2%	4.7%	5.8%
CLARK	6.8%	6.6%	13.4%	11.6%	12.8%	24.3%	43.4%	0.0%	0.1%	81.2%	1.4%	17.4%	18.8%
CLEARWATER	21.7%	18.3%	40.0%	10.7%	2.9%	13.6%	3.2%	39.3%	0.0%	96.2%	1.4%	2.5%	3.8%
CUSTER	16.1%	45.6%	61.7%	10.9%	3.4%	14.2%	9.8%	0.0%	11.4%	97.1%	0.4%	2.5%	2.9%
ELMORE	39.8%	18.4%	58.3%	16.4%	4.3%	20.7%	5.5%	0.0%	0.0%	84.6%	1.7%	13.7%	15.4%
FRANKLIN	35.2%	22.9%	58.0%	12.4%	3.2%	15.6%	16.4%	0.0%	0.3%	90.4%	2.2%	7.4%	9.6%
FREMONT	20.0%	56.5%	76.4%	6.9%	3.2%	10.0%	9.4%	0.1%	0.0%	95.9%	1.0%	3.1%	4.1%
GEM	25.6%	46.5%	72.0%	10.7%	4.9%	15.6%	8.6%	0.3%	0.0%	96.4%	0.7%	2.9%	3.6%
GOODING	22.7%	23.4%	46.1%	12.4%	12.4%	24.8%	19.0%	0.0%	0.0%	89.9%	1.0%	9.1%	10.1%
IDAHO	20.4%	37.7%	58.1%	12.3%	7.9%	20.2%	13.4%	4.9%	0.1%	96.6%	0.7%	2.7%	3.4%
JEFFERSON	20.9%	39.8%	60.8%	8.2%	7.7%	15.8%	17.2%	0.1%	0.0%	93.9%	1.2%	4.9%	6.1%
JEROME	22.2%	21.6%	43.8%	16.7%	12.4%	29.0%	18.2%	0.0%	0.0%	91.1%	0.8%	8.1%	8.9%
KOOTENAI	36.1%	30.5%	66.6%	22.4%	2.5%	24.8%	1.0%	1.2%	0.0%	93.7%	3.9%	2.4%	6.3%
LATAH	41.1%	17.5%	58.6%	21.7%	3.1%	24.8%	6.5%	5.8%	0.0%	95.7%	2.2%	2.1%	4.3%
LEMHI	23.9%	37.7%	61.6%	16.1%	5.2%	21.3%	12.8%	0.0%	0.3%	96.1%	0.7%	3.2%	3.9%
LEWIS	26.0%	11.8%	37.8%	13.4%	3.1%	16.5%	37.6%	4.3%	0.0%	96.2%	1.5%	2.3%	3.8%
LINCOLN	23.5%	14.7%	38.2%	10.9%	10.6%	21.5%	20.1%	0.0%	0.1%	79.9%	1.5%	18.7%	20.1%
MADISON	25.6%	21.7%	47.3%	33.6%	7.1%	40.8%	8.5%	0.0%	0.0%	96.6%	1.0%	2.4%	3.4%
MINIDOKA	23.3%	21.1%	44.4%	21.5%	11.5%	33.0%	16.7%	0.0%	0.0%	94.2%	1.3%	4.5%	5.8%
NEZ PERCE	44.2%	6.1%	50.3%	26.5%	15.5%	42.0%	3.2%	0.3%	0.0%	95.8%	3.1%	1.0%	4.2%
ONEIDA	29.7%	19.9%	49.7%	12.7%	2.2%	15.0%	27.0%	0.0%	0.7%	92.4%	1.0%	6.7%	7.6%
OWYHEE	16.7%	24.8%	41.4%	7.4%	7.1%	14.6%	29.3%	0.0%	1.8%	87.1%	0.7%	12.2%	12.9%
PAYETTE	38.1%	23.2%	61.3%	18.8%	4.7%	23.5%	10.0%	0.0%	0.0%	94.8%	1.7%	3.5%	5.2%
POWER	12.9%	7.7%	20.6%	10.4%	34.7%	45.1%	16.7%	0.0%	0.0%	82.5%	0.9%	16.6%	17.5%
SHOSHONE	29.5%	16.7%	46.3%	14.3%	7.3%	21.6%	0.4%	20.0%	0.9%	89.1%	3.2%	7.7%	10.9%
TETON	16.0%	66.4%	82.4%	7.2%	2.3%	9.4%	6.0%	0.0%	0.0%	97.9%	0.2%	1.9%	2.1%
TWIN FALLS	36.9%	16.7%	53.6%	28.7%	3.3%	32.0%	8.9%	0.0%	0.0%	94.5%	1.5%	3.9%	5.5%
VALLEY	34.3%	49.7%	84.0%	9.6%	1.9%	11.5%	0.9%	1.8%	0.0%	98.2%	0.4%	1.4%	1.8%
WASHINGTON	29.6%	18.2%	47.7%	12.6%	4.4%	17.1%	16.7%	0.0%	0.0%	81.6%	1.2%	17.2%	18.4%

Chart III Comparison of 2002 & 2003 Property Taxes and Effects of 2003 Homeowner's Exemption on Individual Property December 23, 2003						
Location	Type of Property	2002 Property Taxes (\$)	2003 Property Taxes (\$)	% Change 2002 - 2003	2003 Tax Without Homeowner's Exempt. (\$)	% Change in 2003 Tax if NO Home. Exempt
Urban	Owner Occupied Residential*	1,004	1,053	4.8%	1,528	45.2%
Urban	Commercial	2,397	2,409	0.5%	2,011	-16.5%
Rural	Owner Occupied Residential*	705	735	4.2%	1,073	46.1%
Rural	Commercial	1,740	1,789	2.8%	1,503	-16.0%
Rural	Farm	3,065	3,188	4.0%	3,141	-1.5%

Farm property is assumed to be valued as follows:		Taxable Value: (after Home. Ex.)	
	2002	2003	2003
Agricultural land	\$201,180	\$201,310	\$201,310
Owner - occupied house	\$82,378	\$86,744	\$43,372
Residential land	\$15,692	\$16,524	\$16,524
Total	\$299,250	\$304,578	\$261,206

Commercial property is valued as follows:		2002	2003
Commercial real and personal property		\$137,913	\$137,913

Residential property is valued as follows:		Taxable Value: (after Home. Ex.)	
	2002	2003	2003
Owner - occupied house	\$82,378	\$86,744	\$43,372
Residential land	\$15,692	\$16,524	\$16,524
Total	\$98,070	\$103,268	\$59,896

Inflation Adjustments
Owner-occupied Residential values have been inflated by 5.3% in 2003; Commercial values are inflated by 0.0% in 2003. The remainder of residential and commercial growth is attributed to new construction. Farm land values have been inflated 0.1% in 2003.

Chart II Effects of the 2003 Homeowner's Exemption Values and Taxes Assuming NO Homeowner's Exemption								
December 23, 2003								
Category of Property	2003 Market Value Without Homeowner's Exemption (\$)	% of Market Value in Category	% Change in total Market Value* 2002/2003	Estimated 2003 Tax Rate w/o Homeowner's Exemption	Estimated 2003 Tax w/o Homeowner's Exemption (\$)	% of Tax in Cat.	Changes in 2003 Taxes if NO Homeowner's Exemption	
							% change:	\$ change:
Residential:								
Urban owner-occupied	25,498,531,341	29.5%	N/A	1.480%	\$377,310,139	34.9%	23.3%	71,386,812
Rural owner-occupied	14,381,547,730	16.7%	N/A	1.039%	\$149,441,042	13.8%	22.7%	27,650,486
Subtotal	39,880,079,071	46.2%	N/A	1.321%	\$526,751,182	48.7%	23.2%	99,037,299
Urban non-owner occupied	7,921,776,580	9.2%	N/A	1.205%	\$95,433,479	8.8%	-13.9%	(15,371,506)
Rural non-owner occupied	9,678,314,770	11.2%	N/A	0.893%	\$86,400,966	8.0%	-12.5%	(12,369,105)
Subtotal	17,600,091,350	20.4%	N/A	1.033%	\$181,834,445	16.8%	-13.2%	(27,740,611)
Residential subtotal	57,480,170,421	66.6%	7.0%	1.233%	708,585,627	65.5%	11.2%	71,296,687
Commercial:								
Urban	15,604,061,981	18.1%	0.0%	1.458%	\$227,513,952	21.0%	-16.5%	(45,041,738)
Rural	4,530,349,308	5.2%	6.7%	1.090%	\$49,362,163	4.6%	-16.0%	(9,410,699)
Subtotal	20,134,411,289	23.3%	1.4%	1.375%	\$276,876,114	25.6%	-16.4%	(54,452,437)
Agricultural:	3,759,877,665	4.4%	0.1%	1.031%	\$38,779,118	3.6%	-15.5%	(7,114,875)
Timber:	937,263,890	1.1%	-10.0%	1.054%	\$9,882,723	0.9%	-13.0%	(1,471,383)
Mining:	308,487,530	0.4%	10.5%	1.021%	\$3,151,128	0.3%	-9.1%	(316,723)
Real & Personal								
Subtotal	82,620,210,795	95.7%	5.1%	1.255%	\$1,037,274,711	95.9%	0.8%	7,941,269
Operating:								
Urban	1,083,665,444	1.3%	-4.1%	1.499%	\$16,239,294	1.5%	-16.5%	(3,211,973)
Rural	2,617,364,117	3.0%	-2.7%	1.053%	\$27,551,569	2.5%	-14.7%	(4,729,297)
Subtotal	3,701,029,561	4.3%	-3.1%	1.183%	\$43,790,863	4.1%	-15.4%	(7,941,269)
Total Urban	50,108,035,346	58.0%	4.3%	1.430%	\$716,496,863	66.3%	1.1%	7,761,595
Total Rural	36,213,205,010	42.0%	5.3%	1.007%	\$364,568,711	33.7%	-2.1%	(7,761,595)
Grand Total	86,321,240,356	100.0%	4.7%	1.252%	\$1,081,065,574	100.0%	0.0%	0

Value do not include urban renewal increments.

* Refinements to program assigning residential values to owner and non-owner occupied segments make comparison to 2002 amounts invalid.

Chart VIII

2003 AVERAGE PROPERTY TAX RATES			
23-Dec-03			
COUNTY	AVERAGE URBAN %	AVERAGE RURAL %	OVERALL AVERAGE PROP. TAX %
ADA	1.657%	1.426%	1.621%
ADAMS	1.640%	1.145%	1.209%
BANNOCK	2.354%	1.452%	2.167%
BEAR LAKE	1.395%	0.968%	1.080%
BENEWAH	1.725%	1.091%	1.225%
BINGHAM	2.219%	1.433%	1.672%
BLAINE	0.689%	0.579%	0.652%
BOISE	1.266%	0.967%	0.997%
BONNER	1.424%	0.991%	1.093%
BONNEVILLE	2.085%	1.400%	1.885%
BOUNDARY	1.566%	1.240%	1.318%
BUTTE	1.851%	1.260%	1.347%
CAMAS	1.965%	1.280%	1.385%
CANYON	2.197%	1.473%	1.885%
CARIBOU	1.978%	1.199%	1.326%
CASSIA	1.722%	1.197%	1.342%
CLARK	1.293%	1.038%	1.074%
CLEARWATER	1.906%	1.124%	1.290%
CUSTER	1.050%	0.782%	0.836%
ELMORE	1.971%	1.129%	1.490%
FRANKLIN	1.515%	1.184%	1.338%
FREMONT	1.406%	1.017%	1.092%
GEM	1.506%	1.177%	1.270%
GOODING	1.825%	1.168%	1.317%
IDAHO	1.311%	0.823%	0.929%
JEFFERSON	1.885%	1.219%	1.336%
JEROME	2.056%	1.337%	1.550%
KOOTENAI	1.754%	1.321%	1.557%
LATAH	2.321%	1.798%	2.108%
LEMHI	1.428%	0.793%	0.957%
LEWIS	1.969%	1.325%	1.538%
LINCOLN	1.884%	1.240%	1.378%
MADISON	1.497%	1.275%	1.397%
MINIDOKA	1.619%	1.112%	1.294%
NEZ PERCE	2.333%	1.331%	1.956%
ONEIDA	1.661%	1.150%	1.316%
OWYHEE	1.536%	1.225%	1.278%
PAYETTE	2.220%	1.344%	1.751%
POWER	2.462%	1.627%	1.750%
SHOSHONE	2.295%	1.562%	1.842%
TETON	0.840%	0.670%	0.701%
TWIN FALLS	1.859%	1.204%	1.575%
VALLEY	1.292%	0.762%	0.934%
WASHINGTON	1.907%	1.257%	1.471%
TOTALS	1.679%	1.204%	1.479%